



4004

ANNUAL REPORT

OF

Name: FARMERS INDEPENDENT TELEPHONE CO

Principal Office: 139 WEST MADISON AVENUE
P.O. BOX 447
GRANTSBURG, WI 54840-0447
PO Box Zip Code: 54840-0447

For the Year Ended: DECEMBER 31, 2003

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 267-9504

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

GENERAL RULES FOR REPORTING

1. The annual report due date is April 1 of the following year. (Example: The 2002 report is due April 1, 2003.) If that date falls on a weekend or holiday, the annual report is due the following business day.
2. **Electronic filing via e-mail is required, unless additional provisional confidential treatment is desired.** Go to the Public Service Commission of Wisconsin's Web Page at <http://psc.wi.gov>, click on the Annual Reports icon, click on Annual Report Programs - Telecommunications, and click the appropriate program for Incumbent Local Exchange Carriers (LECs).
3. LEC entities with no revenues for the report year are required to file a LEC annual report.
4. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records of the utility in conformity with the Uniform System of Accounts prescribed by the Public Service Commission in docket 05-US-113. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
5. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used. However, please show the exact name of the respondent in full on the Identification and Ownership page.
6. Wherever information is requested in a "note," please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
7. Numeric items are limited to digits (0-9). Do not type commas when entering numbers. A minus sign "-" should be entered in the software program to indicate negative values. The program will convert the minus sign to parentheses if a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
8. Please report all dollar amounts to the nearest thousand dollars.
9. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
10. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, the previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
11. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the "Individual or firm, if other than utility employee, preparing this report" portion of the Identification and Ownership schedule, which describes the nature and extent of work performed.
12. The LEC annual report program incorporates provisional confidentiality capability for selected items, based on the Commission's confidentiality determination dated January 29, 2003, as supplemented for the new nonregulated schedules and a request for additional confidential treatment dated April 15, 2004.
13. It is not necessary to manually or electronically "sign" the signature page. It is not necessary to file a hardcopy of the annual report with the Commission.

GENERAL RULES FOR REPORTING

14. **Edit Check, Confidential Listing, Exported Annual Report, and Export Status Files; Filing the Completed Report:**

Program edit checks, which are located under the Admin dropdown menu, should be run at the completion of data entry. Each edit problem lists pertinent schedule(s) as well as the nature of the problem (such as "does not equal"). Edit items should be reviewed and corrected; unresolved problems should be footnoted in the report, if necessary. This screen automatically saves the edit checks to an .edt file that may be viewed and edited (for purposes of adding necessary notations) using a word processing package such as WordPad.

The confidential listing, which is located under the Admin dropdown menu, should also be run at the completion of data entry. This will create a .clf file.

Select the annual report to export from the Main-Report Selection window. Click Admin, Export Data to PSC to start the export process. This will create an .mdb file, which will subsequently be encrypted to a file with an .sen extension. An export status file is also created (with a .txt extension). The export status report file may also be viewed in a word processing package such as WordPad. If you encounter any export errors, please contact the Commission for assistance.

The .edt, .clf, .sen, and .txt files will be zipped to a file with a .zip extension. An e-mail message will be created, addressed to pscrcs@psc.state.wi.us. The .zip file is automatically attached to the e-mail message. After the e-mail is created, it will automatically be sent to the Commission.

Once received and processed by the Commission, you will receive a response indicating that your annual report has been received and is being processed. You will be notified if there are any problems with the annual report filing.

15. **Name Changes:**

If a name change (e.g., the new name, the date of the change, and the affected entities with their respective four-digit Commission identification numbers) is identified in the report, documents from the State of Wisconsin Department of Financial Institutions (DFI) also must be submitted to the Commission:

A domestic corporation should send a copy of the stamped page from its Articles of Amendment as filed with DFI. A foreign corporation should send a copy of their Amended Certificate of Authority as issued by DFI.

These documents can be obtained by:

1. Calling DFI at (608) 261-7577;
2. Contacting DFI on the web at <http://www.wdfi.org>; or
3. By writing to DFI at P.O. Box 7846, Madison, WI 53707-7846.

A name change is not effective in the Commission's records until a separate notification letter is sent to the Commission including documentation to confirm registration of that change with the State of Wisconsin Department of Financial Institutions.

16. **Changes to the Annual Report Subsequent to Filing:**

If making revisions to the report subsequent to an electronic filing with the Commission, resubmit the report via e-mail following the procedures set forth above in item number 14. New edit check, confidential listing, exported annual report, and export status files should be created as a result of the revisions.

Revisions to an annual report previously filed on a manual basis also require a new complete manual filing.

GENERAL RULES FOR REPORTING

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
Analog Signal	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
Cellular System	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
Central Office	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
Centrex	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
Channel	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
Customer	A person who uses a telephone as a subscriber.
Digital Signal	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
Equal Access	The ability of the subscriber to use any long distance service by dialing the same number of digits.
Exchange	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
Extended Area Service (EAS)	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
Extended Community Calling (ECC)	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
Feature Group A	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
Feature Group C	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
Feature Group D	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
FX-IN	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
FX-OUT	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
Host Switching System	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
Local Access Transport Area (LATA)	A geographic area within which an operating company may offer its telecommunications services.
Mobile Telephone	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
Paging	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
Pair	Two wires of a single circuit.
Pay Station	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
Private Line Service	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
Private Branch Exchange (PBX)	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
Radio Common Carrier (RCC)	A company which furnishes public telecommunications service using one or more radio channels.
Remote Switching Unit (RSU)	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none">1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.2. One mile of a cross country route with any combination of outside plant facilities.3. One mile of point-to-point microwave or radio link.4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.5. One mile of joint use line where the utility either owns the facility or leases space.
Stand Alone Switch	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
Trunk	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
Wide Area Telephone Service (WATS)	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
Wire Center	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

ABBREVIATIONS USED IN ANNUAL REPORTS

Acct	.....	Account
Accum	.....	Accumulated
Acq	.....	Acquisition
Admin	.....	Administrative
Alloc	.....	Allocation
Amort	.....	Amortization
 CO	.....	Central Office
 Depr	.....	Depreciation
 Equip	.....	Equipment
Exp	.....	Expenses
EOY	.....	End of Year
 FOY	.....	First of Year
 Info	.....	Information
ITC	.....	Investment Tax Credit
 Misc	.....	Miscellaneous
 Nonoper	.....	Nonoperating
Nonreg	.....	Nonregulated
 Oper	.....	Operating
Opns	.....	Operations
Orig	.....	Originating
 Prop	.....	Property
 Receiv	.....	Receivable
Reg	.....	Regulated
Rev	.....	Revenues
 Svcs	.....	Services
 Telecom	.....	Telecommunications
Term	.....	Terminating
TPIS	.....	Telecommunications Plant in Service
TPUC	.....	Telecommunications Plant Under Construction
 Uncoll	.....	Uncollectible

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: FARMERS INDEPENDENT TELEPHONE CO
Utility Location: 139 WEST MADISON AVENUE
P.O. BOX 447
GRANTSBURG, WI 54840-0447
P.O. BOX ZIP 54840-0447

Utility Web Site Address: www.grantsburgtelcom.net

When was utility organized?: 07/15/1907

Report any change in name and the effective date:

Telephone numbers for potential customers to contact company:

Business Customers: (715) 463 - 5322 Ext:

Residential Customers: (715) 463 - 5322 Ext:

Primary Utility Contact (located at utility address)

Name: MR DANA OLSON
Title: GENERAL MANAGER
Firm: FARMERS INDEPENDENT TELEPHONE COMPANY
Office Address: 139 WEST MADISON AVENUE
P.O. BOX 447
GRANTSBURG, WI 54840-0447
Fax Number: (715) 463 - 5206 EXT
Telephone Number: (715) 463 - 5322
Email Address: dana@grantsburgtelcom.com

Officer in charge of correspondence concerning this report

Name: MR DANA OLSON
Title: GENERAL MANAGER
Office Address: 139 WEST MADISON AVENUE
P.O. BOX 447
GRANTSBURG, WI 54840-0447
Fax Number: (715) 463 - 5206
Telephone Number: (715) 463 - 5322
Email Address: dana@grantsburgtelcom.com

Individual or firm, if other than utility employee, preparing this report

Name: MR MATTHEW P. MACDONALD, CPA
Title: PARTNER
Firm: KIESLING ASSOCIATES, LLP
Office Address: 8517 EXCELSIOR DR, SUITE 301
MADISON , WI 53717
Fax Number: (608) 664 - 9112
Telephone Number: (608) 664 - 9110
Email Address: mmacdonald@kiesling.com

IDENTIFICATION AND OWNERSHIP

Person responsible for financial information contained in report

Name: MR DANA OLSON
Title: GENERAL MANAGER

Office Address: 139 WEST MADISON AVENUE
P.O. BOX 447
GRANTSBURG, WI 54840-0447

Fax Number: (715) 463 - 5206
Telephone Number: (715) 463 - 5322
Email Address: dana@grantsburgtelcom.com

Person responsible for statistical information contained in report

Name: MS BARBARA THOMPSON
Title: BOOKKEEPER

Office Address: 139 WEST MADISON AVENUE
P.O. BOX 447
GRANTSBURG, WI 54840-0447

Fax Number: (715) 463 - 5206
Telephone Number: (715) 463 - 5322
Email Address: barb@grantsburgtelcom.com

Contact person for regulatory inquiries and complaints

Name: MR DANA OLSON
Title: GENERAL MANAGER
Firm: FARMERS INDEPENDENT TELEPHONE COMPANY
Office Address: 139 WEST MADISON AVENUE
P.O. BOX 447
GRANTSBURG, WI 54840-0447

Fax Number: (715) 463 - 5206
Telephone Number: (715) 463 - 5322
Email Address: dana@grantsburgtelcom.com

List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name: NONE
Address: NONE
NONE, WI 00000

Number of Shares Held:
Beneficial Owner: NONE

List companies owned, controlled, or operated and form and extent of such ownership, control or operation.

Company Name: GRANTSBURG TELECOM INC.
Form of Interest: STOCK
Extent Of Interest: 100%

OFFICERS AND DIRECTORS**Name, Title/Occupation
and Business Address**

Name: ALLEN ANDERSON Title/Occupation: DIRECTOR Business Address (1): 139 W MADISON AVE Business Address (2): PO BOX 447 Business Address (3): City State, Zip: GRANTSBURG, WI 54840-0447	1
<hr/>	
Name: ARMAND LUEDTKE Title/Occupation: DIRECTOR Business Address (1): 139 W MADISON AVE Business Address (2): PO BOX 447 Business Address (3): City State, Zip: GRANTSBURG, WI 54840-0447	2
<hr/>	
Name: CRAIG SELANDER Title/Occupation: VICE PRESIDENT Business Address (1): 139 W MADISON AVE Business Address (2): PO BOX 447 Business Address (3): City State, Zip: GRANTSBURG, WI 54840-0447	3
<hr/>	
Name: DANA OLSON Title/Occupation: GENERAL MANAGER Business Address (1): 139 W MADISON AVE Business Address (2): PO BOX 447 Business Address (3): City State, Zip: GRANTSBURG, WI 54840-0447	4
<hr/>	
Name: DARLENE ERICKSON Title/Occupation: DIRECTOR Business Address (1): 139 W MADISON AVE Business Address (2): PO BOX 447 Business Address (3): City State, Zip: GRANTSBURG, WI 54840-0447	5
<hr/>	
Name: DICK MCKEAG Title/Occupation: SECRETARY - TREASURER Business Address (1): 139 W MADISON AVE Business Address (2): PO BOX 447 Business Address (3): City State, Zip: GRANTSBURG, WI 54840-0447	6

OFFICERS AND DIRECTORS**Name, Title/Occupation
and Business Address**

Name: DOUG SEGELSTROM Title/Occupation: VICE SECRETARY - TREASURER Business Address (1): 139 W MADISON AVE Business Address (2): PO BOX 447 Business Address (3): City State, Zip: GRANTSBURG, WI 54840-0447	7
<hr/>	
Name: GARY PETERSON Title/Occupation: DIRECTOR Business Address (1): 139 W MADISON AVE Business Address (2): PO BOX 447 Business Address (3): City State, Zip: GRANTSBURG, WI 54840-0447	8
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Name: ROGER DANIELSON Title/Occupation: PRESIDENT Business Address (1): 139 W MADISON AVE Business Address (2): PO BOX 447 Business Address (3): City State, Zip: GRANTSBURG, WI 54840-0447	9
<hr/>	
Name: TODD ANDERSON Title/Occupation: DIRECTOR Business Address (1): 139 W MADISON AVE Business Address (2): PO BOX 447 Business Address (3): City State, Zip: GRANTSBURG, WI 54840-0447	10

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
Operating Revenues			
Operating Revenues (5000-5300)	3,177	2,438	1
Total Operating Revenues	3,177	2,438	
Operating Expenses			
Plant Specific Operations Expenses (6110-6410)	627	237	2
Plant Nonspecific Operations Expense	551	498	3
Customer Operations Expense (6610-6620)	290	243	4
Corporate Operations Expense (6720-6790)	306	283	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	579	484	7
Total Operating Expenses	2,353	1,745	
Net Operating Income	824	693	
Other Income			
Nonoperating Income and Expense (7300)	340	532	8
Nonoperating Taxes (7400)	120	180	9
Interest and Related Items (7500)	0	0	10
Extraordinary Items (7600)	0	0	11
Nonregulated Net Income (7990)	0	12	12
Total Nonoperating Income	220	364	
Net Income	1,044	1,057	

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

-
1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

The accounting policies of the Company conform to generally accepted accounting principles in the United States of America. Management uses estimates and assumptions in preparing its financial statements. Those estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent revenues and expenses. The accounting records of the company are maintained in accordance with Uniform System of Accounts for Class A and F Telephone Companies prescribed by the Federal Communications Commission as modified by the Public Service Commission of Wisconsin (PSCW).

A. Property and Equipment

Telephone plant is capitalized at original cost, including the capitalized cost of salaries and wages, materials, certain payroll taxes, employee benefits, and interest incurred during the construction period.

The Company provides for depreciation for financial reporting purposes on the straight-line method by the application of rates, based on the estimated service lives of the various classes of depreciable property.

Renewals and betterments of units of property are charged to telephone plant in service. When telephone plant is retired, its cost is removed from the asset account and charged against accumulated depreciation, together with removal cost less any salvage realized. No gains or losses are recognized in connection with routine retirements of depreciable property. Repairs and renewals of minor items of property are included in plant specific operations expense.

B. Income Taxes

Income taxes are accounted for using a liability method and provide for the tax effects of transactions reported in the financial statements including both taxes currently due and deferred. Deferred taxes are adjusted to reflect deferred tax consequences at current enacted tax rates. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities include property and equipment, cellular partnership investment, and deferred investment tax credits. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

Investment tax credits (ITC), which were deferred prior to the Tax Reform Act of 1986, are being amortized over the regulatory life of the plant which produced the ITC.

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

C. Revenue Recognition

Revenues are recognized when earned regardless of the period in which they are billed.

Revenues relating to the provision of access services to customers are derived, in part, from tariffed access charges to toll service providers (interexchange carriers), and in part from sharing in interstate pools. Interstate revenues are determined in accordance with nationwide average cost schedules.

The Company is compensated for intrastate access under access charge procedures based on expense and plant investment levels, as determined by the Company and approved by the PSCW.

D. Cash Equivalents

All highly liquid investments purchased with a maturity of one year or less at the time of purchase are considered cash equivalents.

E. Investments

Non-marketable equity investments and temporary investments are stated at cost.

-
2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

NONE

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3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

NONE

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY	Balance--FOY (000's) (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*	3,108	2,462	1
TOTAL CASH AND EQUIVALENTS	3,108	2,462	
RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	53	56	2
Other Accounts Receivable (1190)*	312	348	3
Other Receivables (1170)*	11	12	4
Accounts Receivable Allowance-Telecom (1181)*			5
Accounts Receivable Allowance-Other (1191)*			6
Other Allowance for Doubtful Accounts (1171)*			7
TOTAL RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS	376	416	
SUPPLIES			
Inventories (1220)*	86	50	8
TOTAL SUPPLIES	86	50	
PREPAYMENTS			
Prepayments (1280)*	4	3	9
TOTAL PREPAYMENTS	4	3	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	33	38	10
TOTAL OTHER CURRENT ASSETS	33	38	
TOTAL CURRENT ASSETS	3,607	2,969	
NONCURRENT ASSETS			
INVESTMENTS			
Nonregulated Investments (1406)*		70	11
RTB Class B Stock (1402)*			12
Other Noncurrent Assets (1410)*	1,965	1,730	13
TOTAL INVESTMENTS	1,965	1,800	
DEFERRED CHARGES			
Deferred Maint, Retirements and Other Deferred Charges (1438)*			14
TOTAL DEFERRED CHARGES	0	0	
OTHER JURISDICTIONAL ASSETS-NET			
Other Jurisdictional Assets-Net (1500)*			15
TOTAL OTHER JURISDICTIONAL ASSETS-NET	0	0	
TOTAL NONCURRENT ASSETS	1,965	1,800	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	7,118	6,641	16
Less: Accumulated Depreciation (3100)*	5,324	4,757	17
Less: Accumulated Amortization-Tangible (3400)*			18
Less: Accumulated Amortization-Capitalized Leases (3410)			19
Less: Accumulated Amortization-Leasehold Improvements (3420)			20
NET TELECOMMUNICATIONS PLANT IN SERVICE	1,794	1,884	

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (000's)	Balance--FOY (000's) (c)
PLANT		
PROPERTY HELD FOR FUTURE USE		
Property Held for Future Telecommunications Use (2002)*		21
Less: Accumulated Depr-Held for Future Telecom. Use (3200)*		22
NET PROPERTY HELD FOR FUTURE USE	0	0
NONOPERATING PLANT		
Nonoperating Plant (2006)*		23
Less: Accumulated Depreciation-Nonoperating (3300)*		24
NET NONOPERATING PLANT	0	0
TPUC		
Telecommunications Plant Under Construction (2003)*		82 25
TOTAL TPUC	0	82
TELECOMMUNICATIONS PLANT ADJUSTMENT		
Telecommunications Plant Adjustment (2005)*		26
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0
GOODWILL		
Goodwill (2007)*		27
TOTAL GOODWILL	0	0
TOTAL PLANT	1,794	1,966
TOTAL ASSETS AND OTHER DEBITS	7,366	6,735

BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (000's) (b)	Balance--FOY (000's) (c)	
CURRENT LIABILITIES			
Notes Payable (4020)*	121	180	1
Other Current Accounts and Notes Payable (4000)*	5	5	2
Customers' Deposits (4040)*	(62)	(21)	3
Income Taxes-Accrued (4070)*	2	2	4
Other Taxes-Accrued (4080)*			5
Net Current Deferred Operating Income Taxes (4100)*			6
Net Current Deferred Nonoperating Income Taxes (4110)*			7
Current Maturities-Long-Term Debt (4050)*			8
Current Maturities-Capital Leases (4060)*			9
Other Current Liabilities (4130)*	338	338	10
TOTAL CURRENT LIABILITIES	404	504	
LONG-TERM DEBT			
Funded Debt (4210)*			11
Obligations Under Capital Leases (4250)*			12
Advances from Affiliated Companies (4260)*	0	0	13
Other Long-Term Debt (4270)*			14
Other Long-Term Debt and Funded Debt (4200)*			15
TOTAL LONG-TERM DEBT	0	0	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Liabilities and Deferred Credits (4300)*	9	19	16
Unamortized Operating Investment Tax Credits-Net (4320)*			17
Unamortized Nonoperating Investment Tax Credits-Net (4330)*			18
Net Noncurrent Deferred Operating Income Taxes (4340)*			19
Net Deferred Tax Liability Adjustments (4341)*			20
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*			21
Deferred Tax Regulatory Adjustments-Net (4361)*			22
Other Jurisdictional Liabilities and Deferred Credits-Net (4370)*			23
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	9	19	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	1,660	1,660	24
Additional Paid-in Capital (4520)*	2	2	25
Treasury Stock (4530)*			26
Other Capital (4540)*	5	9	27
Retained Earnings (4550)*	5,286	4,541	28
TOTAL STOCKHOLDERS' EQUITY	6,953	6,212	
TOTAL LIABILITIES AND OTHER CREDITS	7,366	6,735	

IMPORTANT CHANGES DURING THE YEAR

1. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates. Provide details and dollar amounts for increases and decreases, respectively, by revenue category noted on Operating Revenues schedule.

**Increase in local service rates effective March 1, 2003 increase revenues
\$120,000 on an annual basis**

2. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

None

AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
Grantsburg Telecom, Inc.	GTC	1
Other	OTHER	2
RSA #1	RSA #1	3

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25 (,000) or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000 (,000), individual contracts or arrangements not exceeding \$100 (,000) may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing.

Particulars	(a)	(b)	(c)	(d)	(e)
Docket		5ATF168			
Name of Affiliate		GTC			1
Designate whether billed to or from:		TO			2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)		C P			3
Total Dollar Activity (000's)		---CONF---			4
Percent of affiliate's business billed to all affiliated regulated utilities		---CONF---			5
If cost based, rate of return on equity or markup incorporated in billings		---CONF---			6
Footnotes					

AFFILIATED ASSETS AND LIABILITIES

This schedule should be used to report affiliated activity concerning balances at the end of the year for the following accounts: 1160, Temporary Investments; 1120, Cash and Equivalents (for other than former account 1160); 1180, Telecommunications Accounts Receivable; 1190, Other Accounts Receivable; 1200, Notes Receivable; 1210, Interest and Dividends Receivable; 1170, Receivables (for other than former accounts 1180, 1190, 1200, and 1210); 1401, Investment in Affiliated Companies; 1408, Sinking Funds; 1410, Other Noncurrent Assets (for other than former accounts 1401 and 1408); 4010, Accounts Payable; 4020, Notes Payable; 4000, Current Accounts and Notes Payable (for other than former accounts 4010 and 4020); 4260, Advances from Affiliated Companies; and 4200, Long Term Debt and Funded Debt (for other than former account 4260). Amounts at the end of the year for each affiliate should be identified by respective affiliate and account number. Report information below consecutively by respective account number; affiliated amounts of less than \$5,000 may be reported in aggregate as "Other" for a particular account.

Name of Affiliate (a)	Account Number (b)	Balance EOY (000's) (c)	
Grantsburg Telecom, Inc.	1190	---CONF---	1
Grantsburg Telecom, Inc.	1410	---CONF---	2
RSA #1	1410	---CONF---	3
Grantsburg Telecom, Inc.	4000	---CONF---	4

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (000's) (c)	Additions (000's) (d)	
GENERAL SUPPORT ASSETS				
Land	2111	8		1
Motor Vehicles	2112	128	36	2
Aircraft	2113	0		3
Tools and Other Work Equipment	2114	150	1	4
Buildings	2121	214		5
Furniture	2122	23		6
Office Equipment	2123	28	1	7
General Purpose Computers	2124	91	2	8
NET REG--GENERAL SUPPORT ASSETS:		642	40	
CENTRAL OFFICE ASSETS				
Non-Digital Switching	2211	0		9
Digital Electronic Switching	2212	1,861	46	10 D
Operator Systems	2220	0		11
Radio Systems	2231	0		12
Circuit Equipment	2232	686	122	13 D
NET REG--CENTRAL OFFICE ASSETS:		2,547	168	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0		14
Customer Premises Wiring	2321	0		15
Large Private Branch Exchanges	2341	0		16
Public Telephone Terminal Equipment	2351	0		17
Other Terminal Equipment	2362	22	3	18
NET REG--INFORMATION ORIG/TERM ASSETS:		22	3	
CABLE & WIRE FACILITIES ASSETS				
Poles	2411	8		19
Aerial Cable	2421	8	0	20 D
Underground Cable	2422	0	0	21
Buried Cable	2423	3,410	181	22 D
Submarine and Deep Sea Cable	2424	0	0	23
Intrabuilding Network Cable	2426	0	0	24
Aerial Wire	2431	4		25
Conduit Systems	2441	0		26
NET REG--CABLE & WIRE FACILITIES ASSETS:		3,430	181	
AMORTIZABLE ASSETS				
Capital Leases	2681	0		27
Leasehold Improvements	2682	0		28
Intangibles	2690	0		29
Accumulated Amortization - Intangible	3500			30
NET REG--AMORTIZABLE ASSETS:		0	0	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (000's) (f)	Transfers / Adjustments (000's) (g)	Balance EOY (000's) (h)	
2111			8	1
2112	17		147	2
2113			0	3
2114			151	4
2121			214	5
2122			23	6
2123	0	0	29	7
2124			93	8
	17	0	665	
2211			0	9
2212	0	(303)	1,604	10 D
2220			0	11
2231			0	12
2232	0	304	1,112	13 D
	0	1	2,716	
2311			0	14
2321			0	15
2341			0	16
2351			0	17
2362			25	18
	0	0	25	
2411			8	19
2421	0	(1)	7	20 D
2422	0	0	0	21
2423	5	(1)	3,585	22 D
2424	0	0	0	23
2426	0	0	0	24
2431			4	25
2441			0	26
	5	(2)	3,604	
2681			0	27
2682			0	28
2690			0	29
3500			0	30
	0	0	0	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (000's) (c)	Additions (000's) (d)	
<hr/>				
NET REG TELECOM. PLANT IN SERVICE		6,641	392	
Plus: Allocation to Nonregulated Activity - EOY	2001			31
TOTAL TELECOM. PLANT IN SERVICE - EOY				
Explain all amounts shown in column (g).				

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (000's) (f)	Transfers / Adjustments (000's) (g)	Balance EOY (000's) (h)	
	22	(1)	7,010	
2001			108	31
			7,118	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (000's) (c)	Additions (000's) (d)	
Office Support Equipment	2123.1	25	1	1
Company Communications Equipment	2123.2	3		2
Digital Electronic Switching - Circuit	2212.1	1,861	46	3 D
Digital Electronic Switching - Packet	2212.2			4
Circuit Equipment - Electronic	2232.1	397	115	5 D
Circuit Equipment- Optical	2232.2	289	7	6 D
Aerial Cable - Nonmetallic	2421.1	8		7 D
Aerial Cable - Metallic	2421.2			8
Underground Cable - Nonmetallic	2422.1			9
Underground Cable - Metallic	2422.2			10
Buried Cable - Nonmetallic	2423.1	3,410	181	11 D
Buried Cable - Metallic	2423.2			12
Sub. and Deep Sea Cable - Nonmetallic	2424.1			13
Submarine and Deep Sea Cable - Metallic	2424.2			14
Intrabuilding Cable - Nonmetallic	2426.1			15
Intrabuilding Cable - Metallic	2426.2			16

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)
(cont.)

Subaccount (e)	Retirements (000's) (f)	Transfers / Adjustments (000's) (g)	Balance EOY (000's) (h)	
2123.1			26	1
2123.2			3	2
2212.1		(303)	1,604	3 ^D
2212.2			0	4
2232.1		288	800	5 ^D
2232.2		16	312	6 ^D
2421.1		(1)	7	7 ^D
2421.2			0	8
2422.1			0	9
2422.2			0	10
2423.1	5	(1)	3,585	11 ^D
2423.2			0	12
2424.1			0	13
2424.2			0	14
2426.1			0	15
2426.2			0	16

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (000's) (c)	Depr Rate (d)	Annual Accrual (000's) (e)	Additional Accrual (000's) (f)	
GENERAL SUPPORT ASSETS						
Motor Vehicles	2112	57	.0000	16		1
Aircraft	2113	0				2
Tools and Other Work Equipment	2114	64	9.0900	10		3
Buildings	2121	176	3.1300	7		4
Furniture	2122	23	7.6900			5
Office Equipment	2123	20	7.6900	2	0	6
General Purpose Computers	2124	35	16.6700	15		7
NET REG--GENERAL SUPPORT ASSETS		375		50	0	
CENTRAL OFFICE ASSETS						
Non-Digital Switching	2211	0				8
Digital Electronic Switching	2212	1,691	12.0000	175	0	9 D
Operator Systems	2220	0				10
Radio Systems	2231	0				11
Circuit Equipment	2232	546	10.0000	98	0	12 D
NET REG--CENTRAL OFFICE ASSETS		2,237		273	0	
INFORMATION ORIGATION/TERMINATION ASSETS						
Station Apparatus	2311	0				13
Customer Premises Wiring	2321	0				14
Large Private Branch Exchanges	2341	0				15
Public Telephone Terminal Equipment	2351	0				16
Other Terminal Equipment	2362	16	14.2900	4		17
NET REG--INFORMATION ORIG/TERM ASSETS		16		4	0	
CABLE & WIRE FACILITIES ASSETS						
Poles	2411	8	17.0000			18
Aerial Cable	2421	7	11.7000	0	0	19
Underground Cable	2422	0		0	0	20
Buried Cable	2423	2,109	4.7600	166	0	21
Submarine and Deep Sea Cable	2424	0		0	0	22
Intrabuilding Network Cable	2426	0		0	0	23
Aerial Wire	2431	4	5.0000			24
Conduit Systems	2441	0				25
NET REG--CABLE & WIRE FACILITIES ASSETS		2,128		166	0	
Net Reg Accumulated Depreciation		4,756		493	0	
Plus: Nonreg Accumulated Depreciation	3100			7	0	26
Total Accumulated Depreciation				500	0	
Columns e. f and I						

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (000's) (h)	Cost of Removal (000's) (i)	Salvage (000's) (j)	Other (000's) (k)	Balance EOY (000's) (l)	
2112	17		1		57	1
2113	0				0	2
2114	0				74	3
2121	0				183	4
2122	0				23	5
2123	0	0	0	0	22	6
2124	0				50	7
	17	0	1	0	409	
2211	0				0	8
2212	0	0	0	(272)	1,594	9 D
2220	0				0	10
2231	0				0	11
2232	0	0	0	272	916	12 D
	0	0	0	0	2,510	
2311	0				0	13
2321	0				0	14
2341	0				0	15
2351	0				0	16
2362	0				20	17
	0	0	0	0	20	
2411	0				8	18
2421	0	0	0	0	7	19
2422	0	0	0	0	0	20
2423	5	0	0	0	2,270	21
2424	0	0	0	0	0	22
2426	0	0	0	0	0	23
2431	0				4	24
2441	0				0	25
	5	0	0	0	2,289	
	22	0	1	0	5,228	
3100						26
					5,228	

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount or subsidiary record. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (000's) (c)	Depr Rate (d)	Annual Accrual (000's) (e)	Additional Accrual (000's) (f)
Office Support Equipment	2123.1	17	7.69	2	1
Company Communications Equipment	2123.2	3	20.0		2
Digital Electronic Switching - Circuit	2212.1	1,691	25.0	175	3 D
Digital Electronic Switching - Packet	2212.2				4
Circuit Equipment - Electronic	2232.1	303	10.0	72	5 D
Circuit Equipment- Optical	2232.2	243	8.33	26	6 D
Aerial Cable - Nonmetallic	2421.1	7	11.7		7
Aerial Cable - Metallic	2421.2	0			8
Underground Cable - Nonmetallic	2422.1	0			9
Underground Cable - Metallic	2422.2	0			10
Buried Cable - Nonmetallic	2423.1	2,109	4.76	166	11
Buried Cable - Metallic	2423.2	0			12
Sub. and Deep Sea Cable - Nonmetallic	2424.1	0			13
Submarine and Deep Sea Cable - Metallic	2424.2	0			14
Intrabuilding Cable - Nonmetallic	2426.1	0			15
Intrabuilding Cable - Metallic	2426.2	0			16

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)

Subacct (g)	Retired (000's) (h)	Cost of Removal (000's) (i)	Salvage (000's) (j)	Other (000's) (k)	Balance EOY (000's) (l)	
2123.1	0				19	1
2123.2	0				3	2
2212.1	0			(272)	1,594	3 D
2212.2	0				0	4
2232.1	0			258	633	5 D
2232.2	0			14	283	6 D
2421.1	0				7	7
2421.2	0				0	8
2422.1	0				0	9
2422.2	0				0	10
2423.1	5				2,270	11
2423.2	0				0	12
2424.1	0				0	13
2424.2	0				0	14
2426.1	0				0	15
2426.2	0				0	16

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
Balance-First of Year	4,541	3,783	1
Changes:			
Balance Transferred from Income	1,044	1,057	2
Dividends Declared:			
Common	299	299	3
Preferred		0	4
Total Dividends Declared	299	299	
Miscellaneous Debits to Retained Earnings		0	5
Miscellaneous Credits to Retained Earnings		0	6
Balance--End of Year	<u>5,286</u>	<u>4,541</u>	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*	671	563	1
Basic Area Revenue (5001)			2
Private Line Revenue (5040)			3
Other Basic Area Revenue (5060)			4
TOTAL LOCAL NETWORK SERVICES REVENUES	671	563	
INTERSTATE NETWORK ACCESS SERVICES REV.			
End User Revenue (5081)*	292	255	5
Switched Access Revenue (5082)*	909	885	6
Special Access Revenue (5083)*	77	6	7 H
TOTAL INTERSTATE NETWORK ACCESS SERVICES REV.	1,278	1,146	
INTRASTATE NETWORK ACCESS SERVICES REV.			
End User Revenue (5081)*			8
Switched Access Revenue (5082)*	434	443	9
Special Access Revenue (5083)*	109	86	10 I
TOTAL INTRASTATE NETWORK ACCESS SERVICES REV.	543	529	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	10	10	11
TOTAL LONG DISTANCE NETWORK SERVICES MESSAGE REV.	10	10	
MISCELLANEOUS & NONREGULATED REVENUES			
Miscellaneous Revenue (5200)*	---CONF---	---CONF---	12
Directory Revenue (5230)	---CONF---	---CONF---	13
Nonregulated Operating Revenue (5280)*	---CONF---	---CONF---	14 E
TOTAL MISCELLANEOUS & NONREGULATED REVENUES	661	231	
GROSS OPERATING REVENUES	3,163	2,479	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	(14)	41	15 B
TOTAL UNCOLLECTIBLE REVENUES	(14)	41	
TOTAL OPERATING REVENUES	3,177	2,438	

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (000's) (b)	Total Last Year (000's) (c)	
PLANT SPECIFIC OPERATIONS EXPENSE			
Net Reg Network Support Expense (6110)			1
Net Reg General Support Expense (6120)	36	27	2
Net Reg Central Office Switching Expense (6210)	92	82	3
Net Reg Operator Systems Expense (6220)			4
Net Reg Central Office Transmission Expenses (6230)	5	8	5 E
Net Reg Information Orig. / Term. Expense (6310)			6 E
Net Reg Cable and Wire Facilities Expense (6410)	147	120	7 F
NET REGULATED	280	237	
PLUS: NONREGULATED	347	0	8
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	627	237	
PLANT NONSPECIFIC OPERATIONS EXPENSE			
Net Reg Other Property, Plant and Equip. Exp. (6510)	0	0	9
Net Reg Network Operations Expense (6530)	17	13	10
Net Reg Access Expense (6540)	39	24	11 G
Net Reg Depreciation and Amortization Expense (6560)	480	461	12
NET REGULATED	536	498	
PLUS: NONREGULATED	15	0	13
TOTAL PLANT NONSPECIFIC OPERATIONS EXPENSE	551	498	
CUSTOMER OPERATIONS EXPENSE			
Net Reg Marketing (6610)			14
Net Reg Services (6620)	241	243	15
NET REGULATED	241	243	
PLUS: NONREGULATED	49	0	16
TOTAL CUSTOMER OPERATIONS EXPENSE	290	243	
CORPORATE OPERATIONS EXPENSE			
Net Reg General and Administrative (6720)	290	283	17
Net Reg Provision for Uncollectible Notes Receiv. (6790)			18
NET REGULATED	290	283	
PLUS: NONREGULATED	16	0	19
TOTAL CORPORATE OPERATIONS EXPENSE	306	283	
NET REGULATED	1,347	1,261	
PLUS: NONREGULATED	427	0	
TOTAL EXPENSES	1,774	1,261	

EXPENSES - CLASS A & B (DETAIL)

Particulars (a)	Total This Year (000's) (b)	Total Last Year (000's) (c)	
Property Held for Future Tele. Use Exp. (6511)	0	0	1
Provisioning Expense (6512)	0	0	2
NET REG: Reported in Account 6510	0	0	
Depreciat. Exp.--Tele. Plant in Service (6561)	480	461	3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)			4
Amortization Expense--Tangible (6563)			5
Amortization Expense--Intangible (6564)			6
Amortization Expense--Other (6565)			7
NET REG: Reported in Account 6560	480	461	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (000's) (b)	
Gross Operating Revenues	3,163	1
Plus: Collection of amounts previously written off		2
Less: Uncollectibles written off during the year	(14)	3
Plus: Total Net Reg. Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)	426	5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): None	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	2,751	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (000's) (b)	
Total Basic Local Service Revenue (5000)	671	1
Plus: Total Intrastate Access Revenues (5081-5083)	543	2
Plus: Total Long Distance Network Services Revenue	10	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues	---CONF---	5
Plus (or Less) Other (please specify):	---CONF---	6
Assessable Revenues for Universal Service Fund Assessment Purposes	---CONF---	

OTHER INCOME ACCOUNTS

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
OTHER OPERATING INCOME AND EXPENSE			
Net Reg Other Operating Income and (Expense) (7100)			1
NET REGULATED	0	0	
PLUS: NONREGULATED	0	0	2
TOTAL OTHER OPERATING INCOME AND EXPENSE (7100)	0	0	
OPERATING TAXES			
Net Reg Operating Investment Tax Credits--Net (7210)			3
Net Reg Operating Federal Income Taxes (7220)	407	376	4
Net Reg Operating State and Local Income Taxes (7230)	112	98	5
Net Reg Operating Other Taxes (7240)	44	45	6
Net Reg Provision for Deferred Operating Income Taxes--Net (7250)	16	(35)	7
NET REGULATED	579	484	
PLUS: NONREGULATED	0	0	8
TOTAL OPERATING TAXES (7200)	579	484	
NONOPERATING INCOME AND EXPENSE			
Net Reg Dividend Income (7310)	14	18	9
Net Reg Interest Income (7320)	51	73	10
Net Reg Income from Sinking and Other Funds (7330)			11
Net Reg Allowance for Funds Used During Construction (7340)			12
Net Reg Gains or (Losses) from the Disposition of Certain Property (7350)			13
Net Reg Other Nonoperating Income (7360)	286	503	14
Net Reg Special Charges (7370)	11	62	15
NET REGULATED	340	532	
PLUS: NONREGULATED	0	0	16
TOTAL NONOPERATING INCOME AND EXPENSE (7300)	340	532	
NONOPERATING TAXES			
Net Reg Nonoperating Taxes (7400)	120	180	17
NET REGULATED	120	180	
PLUS: NONREGULATED	0	0	18
TOTAL NONOPERATING TAXES (7400)	120	180	
INTEREST AND RELATED ITEMS			
Net Reg Interest and Related Items (7500)			19
NET REGULATED	0	0	
PLUS: NONREGULATED	0	0	20
TOTAL INTEREST AND RELATED ITEMS (7500)	0	0	
EXTRAORDINARY ITEMS			
Net Reg Extraordinary Items (7600)			21
NET REGULATED	0	0	
PLUS: NONREGULATED	0	0	22
TOTAL EXTRAORDINARY ITEMS (7600)	0	0	
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)		12	23 E
TOTAL NONREGULATED NET INCOME (7990)	0	12	
TOTAL NET REGULATED	1,039	1,208	
TOTAL NONREGULATED	0	0	
TOTAL OTHER INCOME ACCOUNTS	1,039	1,208	

NONREGULATED ACCUMULATED DEPRECIATION

Plant Account (a)	Acct (b)	Annual Accrual (000's) (c)	Additonal Accrual (000's) (d)	Balance EOY (000's) (e)	
---CONF---	-CONF-	---CONF---	---CONF---	---CONF---	1
---CONF---	-CONF-	---CONF---	---CONF---	---CONF---	2
---CONF---	-CONF-	---CONF---	---CONF---	---CONF---	3
Total Nonregulated Accumulated Depreciation		7	0	96	

NONREGULATED INCOME STATEMENT

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
NONREGULATED REVENUES			
Nonregulated Operating Revenue (5280)	---CONF---	---CONF---	1
NONREGULATED EXPENSES			
Plant Specific Operations Expense			
Nonregulated Network Support Expense (6110)	---CONF---	---CONF---	2
Nonregulated General Support Expense (6120)	---CONF---	---CONF---	3
Nonregulated Central Office Switching Expense (6210)	---CONF---	---CONF---	4
Nonregulated Operator Systems Expense (6220)	---CONF---	---CONF---	5
Nonregulated Central Office Transmission Expense (6230)	---CONF---	---CONF---	6
Nonregulated Information Orig./Term. Expense (6310)	---CONF---	---CONF---	7
Nonregulated Cable and Wire Facilities Expense (6410)	---CONF---	---CONF---	8
Total Nonregulated Plant Specific Operations Expense	347	0	
Plant Nonspecific Operations Expense			
Nonregulated Other Property, Plant and Equip. Exp (6510)	---CONF---	---CONF---	9
Nonregulated Network Operations Expense (6530)	---CONF---	---CONF---	10
Nonregulated Access Expense (6540)	---CONF---	---CONF---	11
Nonregulated Depreciation and Amortization Expense (6560)	---CONF---	---CONF---	12
Total Nonregulated Plant Nonspecific Operations Expense	15	0	
Customer Operations Expense			
Nonregulated Marketing (6610)	---CONF---	---CONF---	13
Nonregulated Services (6620)	---CONF---	---CONF---	14
Total Nonregulated Customer Operations Expense	49	0	
Corporate Operations Expense			
Nonregulated General and Administrative (6720)	---CONF---	---CONF---	15
Nonregulated Provision for Uncollectible Notes Receivable (6790)	---CONF---	---CONF---	16
Total Nonregulated Corporate Operations Expense	16	0	
TOTAL NONREGULATED EXPENSES (Excluding Other Income Accts.)	427	0	
OTHER NONREGULATED INCOME ACCOUNTS			
Nonregulated Other Operating Income and Expense (7100)			17
Nonregulated Operating Taxes (7200)			18
Nonregulated Nonoperating Income and Expense (7300)			19
Nonregulated Nonoperating Taxes (7400)			20
Nonregulated Interest and Related Items (7500)			21
Nonregulated Extraordinary Items (7600)			22
NONREGULATED NET INCOME	(1)	0	

NONREGULATED ACTIVITIES

List the type of nonregulated activities that the company is involved in.

Nonregulated Activity (a)	
---CONF---	1
---CONF---	2
---CONF---	3

NONREGULATED INVESTMENTS

Particulars (a)	Balance EOY (000's) (b)	
Telecommunications Plant in Service - Allocation to Nonregulated Activity	108	1
Accumulated Depreciation - Allocation to Nonregulated Activity	96	2
Telecommunications Plant Under Construction - Allocation to Nonregulated Activity	---CONF---	3
Inventories - Allocation to Nonregulated Activity	---CONF---	4
Net Deferred Operating Income Taxes - Allocation to Nonregulated Activity	---CONF---	5
Net Nonregulated Investments	---CONF---	

NONREGULATED TELECOMMUNICATIONS PLANT IN SERVICE

Plant Account (a)	Account (b)	Balance EOY (000's) (c)	
---CONF---	---CONF---	---CONF---	1
---CONF---	---CONF---	---CONF---	2
---CONF---	---CONF---	---CONF---	3
TOTAL NONREGULATED TELECOMMUNICATIONS PLANT IN SERVICE		108	

EMPLOYEE DATA - END OF YEAR

Report employee data based on primary allocation of respective wages and salaries.

Particulars (a)	Employees (b)	
Plant Operations		
Supervisory & Management		1
Central Office	1	2
Outside Plant	5	3
Building & Service		4
Other		5
Customer Operations		
Supervisory & Management		6
Operators		7
Business Office	4	8
Other		9
Corporate Operations		
Executive & General Management	1	10
Accounting & Finance		11
External Relations		12
Human Resources		13
Information Management		14
Legal		15
Procurement		16
Research & Development		17
Other		18
Other		
All Other Employees, Not Listed Above		19
Total Employees	11	
Part-Time Employees	1	20
Full-Time Employees	10	21
Total Part-Time and Full-Time Employees	11	

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange	---CONF---	---CONF---	1 A
Extended Area Service	---CONF---	---CONF---	2 A
Extended Community Calling	---CONF---	---CONF---	3 A
Other Local-Undefined	---CONF---	---CONF---	4 A
Total Local	0	0	
TOLL			
Toll	116	1,390	5
Total Toll	116	1,390	
Total Local & Toll	116	1,390	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.	---CONF---	---CONF---	---CONF---	---CONF---	1
Feature Group A -- Term.	---CONF---	---CONF---	---CONF---	---CONF---	2
Feature Group B -- Orig.	---CONF---	---CONF---	---CONF---	---CONF---	3
Feature Group B -- Term.	---CONF---	---CONF---	---CONF---	---CONF---	4
Feature Group C -- Orig.	---CONF---	---CONF---	---CONF---	---CONF---	5
Feature Group C -- Term.	---CONF---	---CONF---	---CONF---	---CONF---	6
Feature Group D -- Orig.	---CONF---	---CONF---	---CONF---	---CONF---	7
Feature Group D -- Term.	---CONF---	---CONF---	---CONF---	---CONF---	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	44	1
Strand miles of plant - fiber optics	902	2
Route miles of plant - microwave		3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	---CONF---	---CONF---	1 c
56 kbps	---CONF---	---CONF---	2 c
64 kbps (DS0)	---CONF---	---CONF---	3 c
1.54 Mbps (DS-1)	---CONF---	---CONF---	4
45 Mbps (DS-3)	---CONF---	---CONF---	5 c
SONET OC-1	---CONF---	---CONF---	6 c
SONET OC-3	---CONF---	---CONF---	7 c
SONET OC-12	---CONF---	---CONF---	8 c
SONET OC-48	---CONF---	---CONF---	9 c
SONET OC-192	---CONF---	---CONF---	10 c

SERVICE DATA

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	---CONF---	---CONF---	3
2 Party	---CONF---	---CONF---	4
4 Party	---CONF---	---CONF---	5
PBX Trunks/System Trunks	---CONF---	---CONF---	6
Centrex Trunks	---CONF---	---CONF---	7
Centrex Lines	---CONF---	---CONF---	8
Key System Trunks	---CONF---	---CONF---	9
Mobile (Utility Provided Service)	---CONF---	---CONF---	10
Paging (Utility Provided Service)	---CONF---	---CONF---	11
FX-Out (Switched)	---CONF---	---CONF---	12
Pay Telephone	---CONF---	---CONF---	13
Coin-Operated Pay Telephone	---CONF---	---CONF---	14
Independent Pay Telephone Provider	---CONF---	---CONF---	15
Other	---CONF---	---CONF---	16
Total Business Lines	704	781	17
Residential (Incl. Emp. Concess.)			
1 Party	---CONF---	---CONF---	19
2 Party	---CONF---	---CONF---	20
4 Party	---CONF---	---CONF---	21
FX-Out (Switched)	---CONF---	---CONF---	22
Other	---CONF---	---CONF---	23
Total Residential Lines	2,614	2,588	24
Total Bus & Res Lines	3,318	3,369	25
Company Used Lines			26
Total Lines Used	3,318	3,369	27

SERVICE DATA (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS	---CONF---	---CONF---	3
WATS Lines - 800 Service	---CONF---	---CONF---	4
FX-In-intraLATA	---CONF---	---CONF---	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	---CONF---	---CONF---	7
Special Access-interLATA			8
(expressed in equiv. access lines)	---CONF---	---CONF---	9
Feature Group A Lines	---CONF---	---CONF---	10
Feature Group B Trunks	---CONF---	---CONF---	11
Feature Group C Trunks	---CONF---	---CONF---	12
Feature Group D Trunks	---CONF---	---CONF---	13
TSPS - Trunks	---CONF---	---CONF---	14
EAS and ECC - Trunks			15
Cellular Trunks (Pub. Sw. Net.)	---CONF---	---CONF---	16
Video Distance Learning			17
- discounted (special tariff)			18
Customers			
Number of Lifeline customers at FOY (January 1, 2003)			19
and EOY (December 31, 2003):	28	42	20
Number of Linkup customers connected during			21
FOY (Calendar year 2002) and EOY (Calendar year 2003):	0	0	22
Other			
Total Company Square Miles	260	260	23
Total Company Route Miles	635	633	24
Footnotes			25
			26

SERVICE DATA - END OF YEAR

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	1860	2140	5380		1
Business					2
1 Party	---CONF---	---CONF---	---CONF---		3
2 Party	---CONF---	---CONF---	---CONF---		4
4 Party	---CONF---	---CONF---	---CONF---		5
PBX Trunks/System Trunks	---CONF---	---CONF---	---CONF---		6
Centrex Trunks	---CONF---	---CONF---	---CONF---		7
Centrex Lines	---CONF---	---CONF---	---CONF---		8
Key System Trunks	---CONF---	---CONF---	---CONF---		9
Mobile (utility provided service)	---CONF---	---CONF---	---CONF---		10
Paging (utility provided service)	---CONF---	---CONF---	---CONF---		11
FX-Out (Switched)	---CONF---	---CONF---	---CONF---		12
Pay Telephone	---CONF---	---CONF---	---CONF---		13
Coin-Operated Pay Telephone	---CONF---	---CONF---	---CONF---		14
Independent Pay Telephone Provider	---CONF---	---CONF---	---CONF---		15
Other	---CONF---	---CONF---	---CONF---		16
Total Business Lines	---CONF---	---CONF---	---CONF---	0	17
Residential (Incl. Emp. Concess.)					18
1 Party	---CONF---	---CONF---	---CONF---		19
2 Party	---CONF---	---CONF---	---CONF---		20
4 Party	---CONF---	---CONF---	---CONF---		21
FX-Out (Switched)	---CONF---	---CONF---	---CONF---		22
Other	---CONF---	---CONF---	---CONF---		23
Total Residential Lines	---CONF---	---CONF---	---CONF---	0	24
Total Bus & Res Lines	---CONF---	---CONF---	---CONF---	0	25
Company Used Lines	---CONF---	---CONF---	---CONF---		26
Total Lines Used	---CONF---	---CONF---	---CONF---	0	27

SERVICE DATA - END OF YEAR (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	1860	2140	5380		1
Miscellaneous					2
WATS Lines - OutWATS	---CONF---	---CONF---	---CONF---		3
WATS Lines - 800 Service	---CONF---	---CONF---	---CONF---		4
FX-In-intraLATA	---CONF---	---CONF---	---CONF---		5
Special Access-intraLATA					6
(equiv. access lines)	---CONF---	---CONF---	---CONF---		7
Special Access-interLATA					8
(equiv. access lines)	---CONF---	---CONF---	---CONF---		9
Feature Group A Lines	---CONF---	---CONF---	---CONF---		10
Feature Group B Trunks	---CONF---	---CONF---	---CONF---		11
Feature Group C Trunks	---CONF---	---CONF---	---CONF---		12
Feature Group D Trunks	---CONF---	---CONF---	---CONF---		13
TSPS - Trunks	---CONF---	---CONF---	---CONF---		14
EAS and ECC - Trunks	---CONF---	---CONF---	---CONF---		15
Cellular Trunks (Pub. Sw. Net.)	---CONF---	---CONF---	---CONF---		16
Video Distance Learning					17
- discounted (special tariff)	---CONF---	---CONF---	---CONF---		18
Other					19
Exchange Square Miles	---CONF---	---CONF---	---CONF---		20
Exchange Route Miles	---CONF---	---CONF---	---CONF---		21
Footnotes					22

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Lucent	ATT/LUC	5
Nippon Electric	NEC	6
Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	FALUN	GRANTSBURG	TRADE LAKE		1
PSCW Exchange ID	1860	2140	5380		2
Central Office Name	FALUM	GRANTSBURG	TRADE LAKE		3
PSCW Central Office ID	1	1	1		4
Central Office CLLI Code	a	GRBGWIXADSA	a		5
Manufacturer of COE (Page 54)	SC	SC	SC		6
Year COE Installed	1986	1986	1986		7
Type of Equipment (Page 54)	D	D	D		8
(S)tandalone, (H)ost, (R)emote, (A)dv Fiber Comm	R	H	R		9
Remote Host PSCW Exchange ID	2140		2140		10
Remote Host PSCW Central Office ID	1	0	1		11
COE Generic Software Release No.	19	22	19		12
SS7?	Yes	Yes	Yes		13
9-1-1?	Yes	Yes	Yes		14
Access Lines - In Use	---CONF---	---CONF---	---CONF---		15
- Equipped	---CONF---	---CONF---	---CONF---		16
- Wired	---CONF---	---CONF---	---CONF---		17
Trunks - In Use	---CONF---	---CONF---	---CONF---		18
- Equipped	---CONF---	---CONF---	---CONF---		19
- Wired	---CONF---	---CONF---	---CONF---		20
ISDN Available?	No	No	No		21
ISDN Lines - In Use (BRI)	---CONF---	---CONF---	---CONF---		22
- In Use (PRI)	---CONF---	---CONF---	---CONF---		23
XDSL Available?	No	No	No		24
- In Use (# lines)	---CONF---	---CONF---	---CONF---		25
Switched 56 Service?	No	No	No		26
Switched 56 lines in use	---CONF---	---CONF---	---CONF---		27
Digital Transmission Facilities: DS-1 - In Use	---CONF---	---CONF---	---CONF---		28
DS-3 - In Use	---CONF---	---CONF---	---CONF---		29
Advanced Data Service Available:					
Packet Switching?	No	No	No		30
SMDS?	No	No	No		31
Frame Relay?	No	No	No		32
ATM (Asynchronous Trans. Mode)?	No	No	No		33
Video Information - Service Available?	No	No	No		34
- In Use (# lines) ¹	---CONF---	---CONF---	---CONF---		35
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	---CONF---	---CONF---	---CONF---		36
No. of fiber strands working (LIT) in C.O.	---CONF---	---CONF---	---CONF---		37
No. of fiber strands for interoffice use	---CONF---	---CONF---	---CONF---		38
Miles of fiber sheath in wire center	---CONF---	---CONF---	---CONF---		39
Access Tandem Serving this C.O.:					
- C.O. Name	FREDERIC	FREDERIC	FREDERIC		40
- PSCW C.O. ID	1960-01	1960-01	1960-01		41
Does this C.O. do access tandem switching?	No	No	No		42
Footnotes					43

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Accountants Compilation Report

To the Board of Directors
Farmers Independent Telephone Company, Inc.
Grantsburg, Wisconsin

We have compiled the balance sheets of the Farmers Independent Telephone Company, Inc. as of December 31, 2003 and 2002, and the related statements of income and retained earnings for the years then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form, except for pages 46 through 55.

Our compilation was limited to presenting in the form prescribed by the Public Service Commission of Wisconsin, information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements (including related disclosures) and the supplementary information are presented in accordance with the requirements of the Public Service Commission of Wisconsin, which differ from generally accepted accounting principles. Accordingly, these financial statements and supplementary information are not designed for those who are not informed about such differences.

The supplementary information contained on pages 46 through 55 of the accompanying prescribed form has not been audited, reviewed, or compiled by us, and, accordingly, we assume no responsibility for that information.

Kiesling Associates LLP
Madison, Wisconsin
June 23, 2004

Schedule Footnotes

Signature Page Footnote. Page 3

None

Service Data Footnote. Page 50

None

Schedule Line Footnotes

- A) Farmers Independent Telephone Company is a flat rate company and the cost incurred for the necessary software and record keeping for usage sensitive recording would not be practical for information that will not be used elsewhere.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- B)** Collected prior year write-offs for WorldCom and Global Crossing
- C)** Reported amount of 0 for these special access circuits is correct
- D)** CPR Adjustments
- E)** Because of the account changes and format changes in this report, non-regulated income for this year was broken out on the Non-Regulated Income Statement on page 45, but for prior year, non-regulated income is reported in account 7990 on page 44, Other Income Accounts
- F)** Increase in labor and related costs due to repair and maintenance work in 2003.
- G)** Increase in universal funds contributions in 2003.
- H)** Increase in interstate special access circuit revenue in 2003.
- I)** Increase in intrastate special access circuit revenue in 2003.